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STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

AMENDED APPLICATION OF MARATHON OIL CASE NOS. 16421, PERMIAN, LLC FOR A NONSTANDARD SPACING 16423 AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

September 20, 2018

Santa Fe, New Mexico

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, Chief Examiner, and David K. Brooks, Legal Examiner, on Thursday, September 20, 2018, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

REPORTED BY: Mary C. Hankins, CCR, RPR New Mexico CCR #20 Paul Baca Professional Court Reporters 500 4th Street, Northwest, Suite 105 Albuquerque, New Mexico 87102 (505) 843-9241

Page 2 1 APPEARANCES 2 FOR APPLICANT MARATHON OIL PERMIAN, LLC: 3 DEANA M. BENNETT, ESQ. JENNIFER L. BRADFUTE, ESQ. 4 MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A. 500 4th Street, Northwest, Suite 1000 Albuquerque, New Mexico 87102 5 (505) 848-1800 deanab@modrall.com 6 jlb@modrall.com 7 8 FOR INTERESTED PARTY DEVON ENERGY: 9 SETH C. McMILLAN, ESQ. MONTGOMERY & ANDREWS LAW FIRM 325 Paseo de Peralta 10 Santa Fe, New Mexico 87501 11 (505) 982-3873 smcmillan@montand.com 12 13 14 INDEX 15 PAGE 16 Case Numbers 16421 and 16423 Called 3 17 Cases Presented by Affidavit 3 18 Proceedings Conclude 23 19 Certificate of Court Reporter 24 20 21 22 EXHIBITS OFFERED AND ADMITTED Marathon Oil Permian, LLC Exhibit 23 Numbers 1 through 4 with attachments in each case 22 24 25

Page 3 1 (1:57 p.m.) EXAMINER JONES: Call Cases 16421 and 2 16422 [sic] and 16423. Each are amended application of 3 Marathon Oil Permian, LLC for a nonstandard spacing and 4 5 proration unit and compulsory pooling in Lea County, New б Mexico. 7 Call for appearances. 8 MS. BENNETT: Thank you. Deana Bennett on behalf of Marathon Oil 9 10 Permian, and I would like to present this case by 11 affidavit -- well, sorry -- these cases. 12 MR. McMILLAN: And Seth McMillan, 13 Montgomery & Andrews. I'm here on behalf of Devon. Ι have no witnesses and affidavit is fine with me. 14 EXAMINER JONES: Okay. 15 Thanks. 16 Any other entries? 17 No witnesses? 18 MR. McMILLAN: No witnesses. 19 I'm going to sit over here so I don't 20 forget I'm part of this. It's been that kind of a day. 21 (Laughter.) EXAMINER BROOKS: That's a step in the 22 23 right direction. 24 MR. McMILLAN: Right? 25 MS. BENNETT: Good afternoon, again. I've

Page 4 just handed out two packets to you, actually. The first 1 packet is the Bone Spring wells, which are Cases 16421 2 and 16423, and the second packet of materials is for the 3 Wolfcamp well, Case 16422. So you should have two 4 5 packets of materials. And I did take your advice, Mr. Brooks, and 6 7 over the break, I was able to at least insert some 8 tabs --9 EXAMINER JONES: Thank you. 10 EXAMINER BROOKS: Thank you. 11 MS. BENNETT: -- to help us understand the 12 way I've organized this a little bit better. I 13 appreciate your advice. 14 EXAMINER BROOKS: Thank you very much. MS. BENNETT: So I'm going to start with 15 16 Cases 16421 and 16423, which have the two tabs on the top, and those are the Bone Spring wells. Case Number 17 16421 is the 2nd Bone 4H well, and Case Number 16423 is 18 19 a 3rd Bone Spring 7H well and a 2nd Bone Spring 8H well. 20 And, again, these packets start with our applications, which were amended, as I mentioned earlier. 21 22 EXAMINER BROOKS: So this is four Bone 23 Spring wells? 24 MS. BENNETT: This is three Bone Spring 25 wells.

Page 5 1 EXAMINER BROOKS: Three Bone Spring. 2 MS. BENNETT: Three Bone Spring wells: 2nd Bone Spring 4H, 3rd Bone 7H and 2nd Bone 8H. 3 4 EXAMINER BROOKS: Go ahead. 5 MS. BENNETT: So we had amended our application, as with the other applications, to ask for 6 7 alternative relief in the event the new rule is stayed, 8 and so we did provide notice to the offsets here as well. 9 I'd like to begin with the landman's 10 11 affidavit and his included exhibits, then the geologist's affidavit and my affidavit. And in these 12 three -- in these cases, we actually have a fourth 13 affidavit, which was prepared by Marathon's engineer, 14 regarding the timing needed to complete these wells. 15 16 I'll explain this in more detail when I get to that, but in a nutshell, in Marathon's application, as we 17 discussed earlier, Marathon requested 365 days to 18 19 complete the wells. As a result of discussions with 20 Devon, Marathon agreed to limit the time requested to 240 days, and you will see that that's reflected in the 21 22 engineer's affidavit that we will discuss when we get to it. 23 So with that, I'll start with 24 25 Mr. Gyllenband's affidavit. Again, Mr. Gyllenband has

Page 6 been qualified by the Division as an expert petroleum 1 landman, and Mr. Gyllenband's affidavit covers the two 2 cases, 16421 and 16423. 3 In Case Number 16421, Marathon seeks an 4 5 order pooling all mineral interests in the Bone Spring Formation underlying the west half-west half of Section 6 7 26, Township 22 South, Range 33 East, and this spacing 8 unit will be dedicated to the Elizabeth Reed Fed 22-33-26 SB 2nd Bone 4H. 9 As Exhibit A, I've included a plat 10 11 outlining the unit being pooled, as well as the parties being pooled, the nature of their interest, the percent 12 of their interest and their last known addresses. 13 Exhibit A also includes address information for the 14 working interest owners, the overriding interest owners 15 16 and the offsets. There are no depth severances within the Bone Spring Formation. 17 18 Mr. Gyllenband testifies that he's 19 conducted a diligent search of the public records in the 20 county where the well is located and conducted phone directory and computer searches to locate contact 21 22 information for parties entitled to notification, and he 23 mailed all parties well proposals, including an AFE. In 24 his opinion, Marathon has made a good-faith effort to 25 obtain voluntary joinder of the working interest owners

1 in the proposed well.

2	Exhibit B is the proposed C-102 for the
3	wells I'm sorry for this well, and this well will
4	develop the wildcat WC-025 G-06 S223322J pool, which is
5	a Bone Spring Pool, Pool Code 97846, which is an oil
6	pool. The producing intervals for this well will be
7	orthodox and will comply with the Division setback
8	requirements.
9	Exhibits C and D are sample proposal
10	letters and the AFE that was sent with those proposal
11	letters, and Mr. Gyllenband testifies that the estimated
12	cost of the well set forth therein is fair and
13	reasonable and is comparable to the cost of other wells
14	of similar depths and lengths in this area.
15	So before turning to Case Number 16423, we
16	can look at the exhibits for Case 16421, which I have
17	marked with a tab at the top, and the first exhibit is
18	the lease tract map. And there, Marathon owns 100
19	percent of Tract 1, and Devon owns 100 percent of Tract
20	2.
21	EXAMINER BROOKS: And the spacing unit is
22	the west half-west half of 26?
23	MS. BENNETT: That's correct.
24	EXAMINER BROOKS: Thank you.
25	MS. BENNETT: The next page of Exhibit A is

Page 8 a summary of the interests, which again is a summary of 1 their total interest in the unit. 2 Exhibit -- the third page of Exhibit B --3 I'm sorry -- A is the ownership names and addresses. 4 Devon is the only working interest owner. 5 The next page is a summary of attempted 6 7 contacts undertaken by the landman. 8 Exhibit B is the C-102 for the 4H well. It shows the Wolfcamp pool name, and the Wolfcamp pool 9 code, 97846. 10 11 EXAMINER JONES: Bone Spring? 12 MS. BENNETT: I'm sorry. Bone Spring, yes. 13 And on this -- I contacted our geologist, and he told me, for the 4H, the 2nd Bone Spring well, 14 the TVD is 11,050 feet for the 4H well. That's 11,050 15 16 feet. 17 EXAMINER JONES: Thank you. 18 MS. BENNETT: Exhibit C is the sample 19 proposal letter, and Exhibit D is the AFE that was sent 20 with the proposal letters. Turning now to Case 16423, I have the same 21 22 types of exhibits there. In Case 16423, Marathon seeks 23 an order pooling all of the mineral interests in the 24 Bone Spring Formation underlying the east half of the 25 west half of Section 26, Township 22 South, Range 33

East. And the proposed spacing unit there will be
 dedicated to the Elizabeth Reed Fed TB 7H and the
 Elizabeth Reed Fed SB 8H.

Exhibit A includes a plat outlining the 4 5 unit and the proposed well's locations within the unit. 6 Exhibit A also includes information about the parties 7 being pooled, the nature and percent of their interests, 8 their last known addresses and address information for 9 overriding interest owners and offsets. There are no depth severances within the Bone Spring Formation. 10 11 Mr. Gyllenband testifies that he conducted a diligent 12 search of the public records in the county where the well is located and conducted phone directory and 13 computer searches to locate contact information for 14 parties entitled to notification and mailed all parties 15 16 well proposals, including an AFE. In his opinion, Marathon has made a good-faith effort to obtain 17 18 voluntary joinder of the working interest owners. 19 Exhibit B are the proposed C-102s for the 20 wells. The wells will develop the WC-025 G-06 S223322J, Bone Spring Pool, Pool Code 97846, which is an oil pool. 21 The producing interval for the wells will be orthodox 22 23 and will comply with the Division setback requirements.

25 letters and the authorization for expenditure, and

24

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Exhibits C and D are sample proposal

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Page 10 Mr. Gyllenband testifies that the estimated cost of the 1 2 wells set forth therein is fair and reasonable and is 3 comparable to the cost of other wells of similar depths and lengths drilled in this area of New Mexico. 4 5 With that, if we can take a quick run-through of his exhibits, in case you have any 6 7 questions about those. 8 EXAMINER JONES: Let's see. I did have a 9 question. Oh. There are two tracts involved and there 10 are two owners involved, it looks like, but it doesn't 11 say whether one owner is one tract and the other owner 12 is the other tract. 13 Uh-huh. MS. BENNETT: So I apologize I 14 didn't make that clear. Marathon is 100 percent owner of Tract 1. 15 EXAMINER JONES: In the north half? 16 17 MS. BENNETT: Yes. 18 EXAMINER JONES: So Marathon owns the 19 north? Uh-huh. And Devon, the 20 MS. BENNETT: 21 south. EXAMINER JONES: Devon, the south. Okay. 22 23 And how did Marathon come about their interest in this area; do you know? 24 25 MS. BENNETT: I don't know the answer to

Page 11 that. I'm happy to find that out for you if that would 1 2 be helpful to you. EXAMINER JONES: It's not needed. 3 And I noticed -- I do see the TVDs on the 4 5 proposal letters. 6 MS. BENNETT: Oh, great. 7 EXAMINER JONES: So they're all in there. 8 MS. BENNETT: Oh, fantastic. That is such 9 There they are. great news. 10 EXAMINER JONES: I'm going to have a 11 question on the next case as to -- but in the application on this, 16423, it says -- I think it says 12 "east half-west half of the west half," but really it 13 means east half of the west half. 14 MS. BENNETT: That's right. That was a 15 16 typo. I apologize for that. 17 EXAMINER JONES: That was the application --18 19 MS. BENNETT: Yeah. That is a typo. 20 I apologize for that. EXAMINER JONES: No problem. It's when we 21 22 come to the next case, it's -- you'll probably clear it 23 up. 24 But, Mr. Brooks, do you have any questions? 25 EXAMINER BROOKS: Yeah. These wells are in

Page 12 the west half -- in the east half-east half, both of 1 them, right? 2 MS. BENNETT: These wells are in the east 3 half-west half, these two. 4 5 EXAMINER BROOKS: Oh, yeah, east half-west 6 half. 7 And the #6H -- well, no. We're talking 8 about the #7H and the #8H, right. 9 MS. BENNETT: Uh-huh. 6H is the Wolfcamp 10 well. 11 EXAMINER BROOKS: And which one establishes 12 the proximity tracts? That would be the 7H? 13 MS. BENNETT: Yes. The 7H is --14 EXAMINER BROOKS: And the 7H is how far -the 7H is how far from the east --15 16 EXAMINER JONES: I don't think we have a proximity. 17 18 MS. BRADFUTE: I was going to say I don't 19 think in this application there is a proximity tract 20 request. EXAMINER BROOKS: Okay. So the spacing 21 22 unit is only -- the spacing unit is only the east half 23 of the west half? 24 MS. BENNETT: Yes. Sorry. I was getting 25 confused with another one.

Page 13 EXAMINER BROOKS: It's only the east 1 2 half-west half that's included in the spacing unit? 3 MS. BENNETT: That's right. That's right. The other case is the west half. 4 5 EXAMINER BROOKS: So the spacing unit is C, 6 E, K, N? 7 MS. BRADFUTE: Yes. That is correct, 8 Mr. Brooks. 9 EXAMINER BROOKS: Okay. Thank you. 10 EXAMINER JONES: I guess we don't have any 11 more questions. 12 MS. BENNETT: Okay. Thank you. 13 So turning next to Tab 2, that is the affidavit of the geologist, and this, again, is Ethan 14 Perry who has previously been qualified as an expert 15 16 petroleum geologist. And here he provides Exhibits A through E. 17 18 And Exhibit A is a structure map of the top of the Bone Spring. Again, the project areas are 19 20 identified by dashed black boxes. The proposed horizontal locations are identified by blue lines, and 21 the proposed Bone Spring wells are numbered 1, 2 and 3 22 23 on this map. Number 4 is the 6H that we'll talk about when we get to the Wolfcamp. Exhibit A identifies wells 24 25 in the vicinity of these proposed wells and has a

Page 14 cross-section line running A to A prime. And Exhibit A 1 shows the structure dips down to the south. 2 3 Exhibit B is the cross section on the 2nd Bone Spring, and it's a stratigraphic cross section hung 4 5 on the base of the 2nd Bone Spring Sand, and the well logs on the cross section, according to the geologist, 6 7 give a representative sample of the 2nd Bone Spring Sand 8 in this area. The target zone, you can see, is 9 highlighted in -- called the producing zone. The zone is continuous across the well unit. 10 11 Exhibit C is a gross sand isochore of the 12 2nd Bone Spring, and it's got a 20-foot contour interval. And the geologist has concluded that the 2nd 13 Bone Spring is uniform across the proposed well unit. 14 Exhibit D2, actually -- and I apologize. 15 16 After I spoke with the landman, he noted that I needed to include Exhibit D1, which I have inserted. 17 I'm 18 sorry, with the geologist. 19 Exhibit D1 is a structure map of the top of 20 the Wolfcamp. And, again, he's chosen the top of the Wolfcamp here due to the proximity of the 3rd Bone 21 22 Spring. So Exhibit D1 is a structure map of the top of the Wolfcamp. 23 24 Exhibit D, then, is a Wolfcamp cross 25 It's a cross section hung on the top of the section.

Wolfcamp, but it gives a representative sample of the 3rd Bone Spring Formation in the area. And the target zone for the well is identified here with the green shading and the words "Producing Zone." And the geologist, his opinion is that the zone is continuous across the well unit.

7 Exhibit E is the gross sand isochore for 8 the 3rd Bone Spring. It has a contour interval of 20 9 feet. And his reading of this map is that the 3rd Bone 10 Spring is uniform across the proposed well unit. And he 11 concluded from these maps that the horizontal spacing unit is justified from a geologic standpoint and that 12 there are no structural impediments or faulting that 13 will interfere with the horizontal development and that 14 each quarter-quarter section in the unit will contribute 15 16 more or less equally to production. He noted here that the preferred well orientation is north to south, again 17 because of the maximum horizontal stress orientation is 18 19 roughly east-west.

20 Any questions on his exhibits or affidavit?
21 MR. McMILLAN: None from me.
22 EXAMINER JONES: Let me make sure and go
23 back and look at the depth here and compare it. We're
24 talking about 423 now, aren't we?
25 MS. BENNETT: Yes.

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Page 16 The #7H and 8H. 1 EXAMINER JONES: MS. BENNETT: Uh-huh. That's correct. 2 3 EXAMINER JONES: Yeah. Those are -- looks like the 7H is 12,109 and 8H is 11,045. So that 4 one -- hmm. 11,045 would be off the chart up to --5 MS. BENNETT: Are you looking at the cross 6 7 section? 8 EXAMINER JONES: Yeah. 9 MS. BENNETT: I think it would fit within Exhibit B, 11,045. 10 11 Am I reading that correctly? 12 MS. BRADFUTE: Yeah. 13 MS. BENNETT: And then 12,109 would be on Exhibit D2. 14 EXAMINER JONES: 15 E? 16 MS. BENNETT: D2 is the 3rd Bone Spring well, and the 2nd Bone Spring well is B. 17 18 EXAMINER JONES: 12,100? 19 MS. BENNETT: Uh-huh. Yeah. It's right on 20 top of the Wolfcamp 100 feet or so. EXAMINER JONES: Okay. Because that middle 21 22 well is the one closest, and it's actually -- it 23 actually would be -- it's definitely the lower part of 24 the 3rd Bone Spring. And 11,045 is top of the 3rd Bone 25 Spring. Okay. So you're targeting the 3rd Bone Spring

Page 17 Sand, but it's the top and the bottom of it. 1 MS. BENNETT: Uh-huh. 2 And when I spoke with Mr. Perry about using 3 the Wolfcamp structure map, he explained to me that the 4 5 Wolfcamp is the closest confident formation for mapping and is the logical formation top to represent the 6 7 expected structure at the Lower 3rd Bone Spring Sand 8 level given that the 3rd Bone Spring is only 100 feet 9 above the Wolfcamp top. 10 EXAMINER JONES: Okay. That is quite 11 the -- quite the bound on the Wolfcamp. Yeah. I can't 12 tell whether that's a hole or a hill there. Oh, yeah, I 13 Yeah, I can. It's actually -- it's actually a can. hole. 14 MS. BENNETT: Are you looking at Exhibit 15 16 D1? 17 EXAMINER JONES: D1, yeah. There's a 18 big --19 MS. BENNETT: This area --20 EXAMINER JONES: We'll get Mr. Goetze up 21 here to interpret for us. 22 MS. BENNETT: Yeah. I did not ask him about that. 23 24 EXAMINER JONES: That's quite an 25 interesting feature there, but then it drops off to

Page 18 the -- or it goes up higher as you go to the east. 1 MS. BENNETT: Right, to the east. And that 2 3 hole, while it is on the map, it's not within the project area. And when I spoke with the geologist about 4 these maps, generally speaking, although I didn't ask 5 him about that particular feature, he felt confident 6 7 that the areas were consistent throughout the 8 producing -- or throughout the project area, even if 9 there were some other areas that were not as continuous. 10 EXAMINER JONES: Okay. That's his 11 testimony, that the -- that cross section is miles away. 12 It straddles it, but it's miles away from the -- so his 13 control points would be an issue, I bet. MS. BENNETT: He noted that there's been no 14 15 recent tests -- or no nearby tests. I asked him about 16 the representative wells, and that's what he told me, is that for the Elizabeth Reed, for the 3rd Bone, there are 17 18 no nearby tests that he could do other than this. 19 EXAMINER JONES: I take they're going to 20 drill a Wolfcamp well here. 21 MS. BRADFUTE: Uh-huh. That's the next 22 case. 23 EXAMINER JONES: Next case. So hopefully 24 that one will be drilled and logged, and they'll know 25 where they're at. Okay.

Page 19 1 EXAMINER BROOKS: No questions. 2 EXAMINER JONES: Risky (laughter). 3 MS. BENNETT: All right. So then the next exhibit is Exhibit 3, and this is my affidavit that is 4 5 the Affidavit of Notice. And Exhibit 3 again discusses -- or shows you the names and addresses of the 6 7 folks to whom we sent letters, and this small 8 spreadsheet shows to whom the letters were delivered, 9 and we had one letter that was undeliverable, which was to the United States BLM. 10 11 EXAMINER JONES: You couldn't get the 12 BLM to pick up their mail? 13 MS. BENNETT: That's right. MR. McMILLAN: That's not an isolated --14 EXAMINER JONES: 301 Dinosaur Trail? 15 Ι 16 live right next to that. 17 (Laughter.) MS. BENNETT: We did publish with the BLM, 18 19 identified in the publication, and that was in the 20 "Hobbs News-Sun." 21 EXAMINER JONES: Okay. MS. BENNETT: And then if we look at 22 Affidavit [sic] 4, this is the affidavit of the engineer 23 that I mentioned earlier, Jacob Rotolo. Mr. Rotolo is 24 25 an engineer for Marathon, but he has not been accepted

Page 20 -- he's never testified before the Division before, and 1 2 he has not been accepted as an expert. 3 EXAMINER BROOKS: And he discusses his qualifications in his affidavit? 4 5 MS. BENNETT: He does. Yes, he does. EXAMINER BROOKS: That should be 6 7 sufficient. 8 MS. BENNETT: If you'd like, I would be happy to discuss those with you. Otherwise, they are 9 laid out, where he went to school and how long he's 10 11 worked at Marathon. 12 EXAMINER JONES: Oh, he went to LSU. He's 13 probably fine. 14 He didn't go to UT, David. EXAMINER BROOKS: Well, I know, and I'm 15 16 always --17 MS. BENNETT: So in any event, he did say that he's testifying to the fact that he's involved --18 19 or is aware of the engineering matters in this case --20 in these cases. And he noted that Marathon did originally request the one-year time period from --21 between the time the well was drilled and completion of 22 23 the well. 24 EXAMINER BROOKS: Yeah. 25 MS. BENNETT: And, again, that was not

Page 21 necessarily based on Marathon's preference but rather on 1 some administrative efficiencies for the Division. 2 After discussions with Devon, however, Marathon requests 3 a modification to the time allowed between the time the 4 well is drilled and the completion of the well to 240 5 days rather than a year. And Marathon requests this 6 7 additional time, between the time the well is drilled 8 and completed, because Marathon is currently using one 9 fracturing rig and one completion crew and needs the additional time. 10 11 EXAMINER JONES: Okay. So each one of 12 these, west half-west half and the east half-west half, will be separate orders, so each one of them, you want 13 the 240 to be inserted in? 14 15 MS. BENNETT: Yes. 16 MS. BRADFUTE: Yes. 17 EXAMINER JONES: Okay. So one of them will 18 just be for one well. 19 MS. BRADFUTE: What could happen, the way I 20 understand it, is it takes a certain number of days, 30 to 40 days to drill, 30 to 40 days to drill, 30 to 40 21 22 days to drill, and then they go back in with their 23 fracturing rig and that takes a certain number of days, 24 and so one of those wells might fall outside of the 25 typical 120.

Page 22 EXAMINER BROOKS: I don't know we have ever 1 2 written an order that terminated a unit because they completed the wells too quickly. 3 MS. BENNETT: Good news. 4 5 (Laughter.) EXAMINER BROOKS: If you had said a year, 6 7 it would have been okay. EXAMINER JONES: Thanks. 8 9 EXAMINER BROOKS: I think Mr. McMillan got 10 concerned about the fact that some years are 365 days 11 and some are 366. 12 EXAMINER JONES: Different from you 13 (indicating). 14 MS. BRADFUTE: Yes, no relation. MS. BENNETT: Well, if there aren't any 15 16 other questions about these cases, I would like to move the admission of Exhibits 1 through 4 with their 17 attachments for Cases 16421 and 16423. 18 19 EXAMINER JONES: Exhibits 1 through 4 with 20 all attachments are admitted in Case 16421 and 16423. (Marathon Oil Permian, LLC Exhibit Numbers 21 1 through 4 for each case are offered and 22 23 admitted into evidence.) 24 MS. BENNETT: And I would ask that you take these cases under advisement. 25

Page 23 EXAMINER JONES: All right. These are not 1 2 going to be continued? 3 MS. BENNETT: No, they are not. MR. McMILLAN: For the record, no objection 4 to the admission of the exhibits. 5 6 And if I may just briefly, on behalf of 7 Devon, we never objected to the applications or anything 8 like that. It was just the negotiation around the time period between drilling and completion, and I thank 9 Marathon for their cooperation and communication in this 10 11 regard. This affidavit is perfect. 12 Thank you. EXAMINER JONES: Cases 16421, 16422 and 13 16423 are taken under advisement. 14 MS. BENNETT: And, actually, that was Cases 15 16421 and 16423. 16422 is the subject of the other 16 packet I gave you. 17 18 (Case Numbers 16421 and 16423 conclude, 19 2:25 p.m.) 20 21 22 23 24 25

Page 24 1 STATE OF NEW MEXICO 2 COUNTY OF BERNALILLO 3 CERTIFICATE OF COURT REPORTER 4 5 I, MARY C. HANKINS, Certified Court Reporter, New Mexico Certified Court Reporter No. 20, 6 7 and Registered Professional Reporter, do hereby certify 8 that I reported the foregoing proceedings in 9 stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings that 10 were reduced to printed form by me to the best of my 11 12 ability. 13 I FURTHER CERTIFY that the Reporter's Record of the proceedings truly and accurately reflects 14 the exhibits, if any, offered by the respective parties. 15 16 I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or 17 18 attorneys in this case and that I have no interest in 19 the final disposition of this case. 20 DATED this 7th day of October 2018. 21 22 MARY C. HANKINS, CCR, RPR 23 Certified Court Reporter New Mexico CCR No. 20 Date of CCR Expiration: 12/31/2018 24 Paul Baca Professional Court Reporters 25